

Confirmation Number:

Program Title: ***Statewide Nonresidential Energy Audits Program***

Proposed by:

Southern California Edison

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List of all other public goods charge programs proposed:

1. Statewide Residential Appliance Recycling
2. Statewide Single Family Energy Efficiency Rebates
3. Statewide Multifamily Energy Efficiency Rebates
4. Statewide Home Energy Efficiency Surveys
5. Statewide CA Energy Star New Homes – Single Family, Multifamily programs
6. Statewide Standard Performance Contract
7. Statewide Express Efficiency
- 8. Statewide Nonresidential Energy Audits**
9. Statewide Building Operator Certification
10. Statewide Emerging Technologies
11. Statewide Savings By Design
12. Statewide Education and Training
13. Statewide Codes and Standards Advocacy
14. Local Small Nonresidential Hard to Reach
15. Local Pump Test and Hydraulic Services
16. Local Government Initiatives
17. Local Community Partnership – 12 Cities
18. Local Community Partnership - Ventura County
19. Local Community Partnership - South Bay Cities Council of Governments
20. Local Los Angeles County program
21. Local UC/CSU program
22. Bakersfield/Kern County program
23. Local City of Pomona program

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Statewide Nonresidential Energy Audits Program

I. Program Overview

A. Program Concept

The Statewide Nonresidential Energy Audits program offered by Pacific Gas and Electric Company, Southern California Edison, San Diego Gas and Electric and Southern California Gas Company provides a full range of professional technical assistance to educate customers on how to implement no cost, low cost measures and cost-effective energy efficiency retrofits in their buildings to increase long term annual energy savings and capture electric peak demand reduction while lowering their energy bills. The energy audit recommendations are based on the customer's recent billing history and/or customer-specific information regarding equipment and building characteristics. This program also addresses the California Public Utilities Commission's goals regarding equitable program access to the hard-to-reach business sector.

B. Program Rationale

The Nonresidential Energy Audit Program (NRA) proposal is for the continuation of SCE's highly successful program that was offered during 2003. The program has consistently met and, in 2004 and 2005, will continue to meet the California Public Utilities Commission's (Commission) goals and objectives for energy efficiency programs for the retrofit and new construction market.

~~The Nonresidential Energy Audit program is a comprehensive information program designed to offer an array of innovative audits for all nonresidential customer segments. The investor owned utilities (IOUs) have been offering energy efficiency audits and other customer specific information for more than 20 years. Customers have come to trust the program for comprehensive, unbiased information to guide their energy decisions.~~

The Nonresidential Energy Audit program is a comprehensive information program addressing electricity usage, operation and maintenance of electrical equipment, retrofit of existing equipment, and promotion of new high-efficiency hardware. NRA not only delivers cost-effective, short- and long-term energy savings and peak demand reductions, resulting in decreased bills for the customer, but is also particularly important in limiting the pressure on power generation and transmission constrained metropolitan areas. The NRA takes the general knowledge of available programs that customers may have obtained from the statewide education and training programs, and adds customer and site-specific information on actions that can be taken at that site to decrease energy usage. The customer is able to act on the low-cost, no-cost recommendations, while the recommendations for cost-effective replacements of equipment act as a starting point for many of the SCE incentive and rebate programs, such as Express Efficiency, Standard Performance Contract, and Savings By Design.

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The energy audits and information services which, in recent years, have increased in popularity and demand because of innovative approaches, often provide the first no cost and low cost recommendations that lead customers to invest further in energy efficiency. Recent statewide market assessment and evaluation studies of the business customer segment confirm that IOUs energy audits and services are:

- highly valued by all customer groups;
- fundamentally trusted; and
- prompting action toward more efficient technologies and practices.

Energy Efficiency cannot remain static in the face of ever tightening energy markets. The NRA program is an important link between new energy efficient technologies and California energy users. While SCE has been offering energy efficiency audits for more than 20 years, technologies have improved over time, and opportunities that were not previously cost-effective to consider at the time of an earlier audit or site visit may now have become cost-effective. In addition, even for sites that may have been previously audited, recommendations provided in previous audits must be updated to current technologies, energy costs and operation/maintenance practices.

As in 2002, the IOUs are expected to meet and exceed their overall audit targets in 2003. As an example, as of August 31, 2003 the following are the year to date results by audit type:

Type of Audit	2003 Goal	YTD	% Accomplishment	Year End Forecast
On-site	5,500	3,918	71%	5,580
On-line	500	478	96%	520
Mail-In	500	308	62%	510
Phone	200	231	116%	235
CD Rom	400	320	80%	410
HTR Audits (all sources)	2,840	3,754	132%	4,502
Total	7,100	5,255	74%	7,255

On-site NRAs allow SCE to gather information from employees familiar with the operation of equipment at that site, generate site-specific recommendations, and work with decision makers to explain the technologies or recommendations. SCE assists the customer to evaluate the cost-effectiveness of each opportunity or recommendation, thereby increasing the likelihood and rate of implementation. The program makes energy efficiency information easy for the customer to obtain they may have otherwise been prevented from acquiring. The information is provided at no cost to the customer. In summary, the customer will be able to access generic energy efficiency information for all nonresidential customer types. Customers receive knowledge of energy conservation and energy efficiency recommendations; obtain additional information about energy efficiency financial programs, workshops and seminars. Participating customers also receive additional assistance to obtain the energy related resources they need, i.e. "small

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~~business are not only showing interest in saving energy (to save money, to be sure) they are also asking for help."~~⁴

The program is designed to overcome market barriers and failures that inhibit adoption of cost-effective energy efficiency measures.

- *Lack of Knowledge*- Equipment is often operated inefficiently with little considering for optimizing energy usage or retrofitting with high-efficiency alternatives. Aging equipment is frequently replaced in-kind or by the lowest first cost product. Audits inform the customer of energy efficient alternatives and provide a resource for additional information.
- *Performance Uncertainties* - Lack of confidence in the performance of high efficiency products. Audits performed by a neutral party, such as SCE, confirm the viability and performance of energy efficient technologies.
- *Lack of Auditors* – Non-utility auditors often focus on limited areas within the facility. A lighting contractor or vendor usually only addresses the lighting at the facility, and an HVAC contractor usually only evaluates HVAC systems. SCE on-site auditors are trained in most end-use equipment, and can address all aspects of the facility.
- *Information Verification* - Manufacturer's claims may be confusing and are not necessarily reliable or easily able to be validated by the customer. Equipment changes require study or analysis prior to implementation. SCE provides balanced, unbiased information and recommendations about technologies and practices directly to customers.
- *Cost Effectiveness* - Customers may be concerned about the cost effectiveness of measures and the cost of upgrading equipment. SCE helps overcome this barrier by showing cost effectiveness of the options and recommending appropriate statewide incentive programs such as Express Efficiency, Standard Performance Contracts (SPC), and Savings By Design (SBD). In addition, SCE refers customers to displays and seminars conducted at CTAC and AGTAC to enhance their knowledge of maintenance, operation, and possible equipment modifications at their own facilities.
- *Hidden Costs* - Lower levels of energy efficiency result in not only higher operating costs, but also higher maintenance costs, less comfort, shorter equipment life and less environmental quality. NRA provides project-specific information to decision makers.
- *Language and Location* – Language and location are barriers to obtaining timely information, recommendations, and resources for improved energy efficiency. Components of the NRA program are conducted in Spanish, Korean, and Chinese. For customers where location or convenience is an issue, telephone, on-line, mail-in, and CD-ROM surveys are available and provide access to customers who do not take advantage of the on-site audits.

⁴ Tertia A. Speiser, "Best Practices in Energy Efficiency Programs for Small Businesses," from E SOURCE (November 2001).

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- Split Incentives – The NRA program provides information to both tenants and landlords to promote collaboration toward implementation of energy efficiency measures. This is particularly important for equipment changes, where the tenant saves on the monthly energy bill, but the landlord benefits from the long-term value of the capital improvement to the facility.
- Innovation – SCE has developed innovative tools and approaches, and will continue to create new ways to inform more customers about this and other energy efficiency programs. One such development is a web-based on-line energy audit process accessible at www.sce.com. This on-line survey tool gives customers the ability and convenience to perform their own audit and receive instant recommendations. Another cutting edge resource is SCE's CD-ROM energy audit. It enables the customer to complete a prescribed survey form, resulting in printable recommendations, again at a time that is convenient for the customer.

~~The program overcomes market barriers that the customer may have in their business. In market segments, such as the hard to reach business customers, barriers may consist of a combination of one or more of the following:~~

The SCE NRA program delivers energy savings and demand reductions. Based on findings in the draft 2002 Nonresidential Audit Program measurement and evaluation study performed by Quantum Consultants,

- Awareness of audits in the general population is driven by the IOUs, who account for two-thirds of overall awareness through bill inserts, brochure mailings, and utility representatives.
- The NRA programs contribute to overall customer awareness of energy efficiency programs. The array of delivery mechanisms or channels ensures that NRA services are available to a wide audience of nonresidential participants.
- The data suggests that the NRA program feeds customers to the SCE's incentive and rebate programs. (While this is an information program and therefore energy and demand savings are not claimed, the program is a key aspect that leads to increased customer participation and results in indirect energy and demand savings)
- Participants report they are considerably more knowledgeable after participation in the NRA program. Participants consider themselves more likely to purchase energy efficient products than the general population. (The more knowledge a customer has, the more likely that they are to take action to resolve inefficient operating practices and to make investments in cost-effective equipment retrofits)
- Audits appear to have mitigated the information barrier that limits adoption of energy efficient technologies.
- Participants tend to be more confident that they can make an informed decision about energy efficiency investments and are more satisfied with the energy conservation decisions they have made.

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- Participants have a higher overall rate of lighting and cooling equipment adoption rates than nonparticipants. The pattern of adoption rates highlights success in the HTR segments. Small rural and renter segments outperform their nonparticipant counterparts.
- Cross-utility coordination of NRA programs produced a great deal of consistency across all audit types except for the on-site audit. The on-site audit should not be standardized, in order to appropriately respond to different customer populations with somewhat unique needs and wants, different levels of annual funding, and different organization structures.
- The report singled out the highly unique cold call approach being used by SCE to reach small and otherwise HTR customers as an example of an innovative approach to program design.
- About 85 percent of participants were at least somewhat influenced by the audit report. Participants report a high level of influence from the audit program and/or report on their conservation actions taken during the crisis period.
- Participants report a higher level of influence from the on-site report than the mail or phone audit report.
- The Audit programs contribute to overall customer awareness of energy efficiency programs. The marketing of Audit services is an important program activity to ensure that the IOU customer base remains well informed regarding energy efficiency programs, technologies and opportunities to save.

Market Barrier	How Barriers are Overcome
Lack of energy management expert employees or resources or lack of consumer information about energy efficiency benefits	IOUs have in-house trained personnel and third party resources at no cost to the customer through this program.
Lack of resources to provide turn-key support for information at no cost	IOU's synergistic programs provide all that a customer needs to implement energy efficiency resources. The Nonresidential Energy Audit program provides more than just energy recommendations, but it also links to rebates and incentives, as well as seminars.
Overcoming language barriers when the primary language is other than English	IOU energy use audit websites have been expanded to include a Spanish version as a resource. For 2004/ 2005, additional tools will continue to expand to include one or more Asian language brochures.
Geographic location—lack of readily available resources or energy centers in their geographic	The different types of audits can support and provide access to any customer in any area of an IOU's territory. IOUs also

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area (generally the Inland Empire, Bakersfield, Kern County, San Joaquin Valley, and Fresno County)	have personnel resources readily available for customers who request an on-site energy audit if a customer prefers one-on-one contact.
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Small customers, non-English speaking customers, and those in outlying areas are more isolated from resources that provide information on energy efficiency options, and are classified as “Hard to Reach”. More than 60% of NRAs are performed for Hard to Reach customers. In addition to English, audits are performed in Spanish, Korean, and Chinese. SCE has developed an array of cost effective tools and approaches to ensure these hard to reach customers are provided with current information appropriate for the customer type. SCE’s Business Solutions group has been very successful working with minority and small business customers (hard-to-reach) through outreach programs.

~~The IOUs re-confirm that the current set of available energy audits represents the highest value to customers and accommodate their increasing demand for energy efficiency information and technical analysis. Therefore, IOUs propose no significant changes to this program in 2004.~~

- An example of one of their events is the Energy Star Expo. The Expo involves the partnering with the Chinese-American communities incorporating 18 different cities. The Business Solutions group advises participants of various energy efficiency programs. In 2003, the Business Solutions group’s effort influenced event attendees to participate in the Statewide Express Efficiency program. These participants took action and recorded over 4.8 million in energy savings in the Express program.
- Implementers of the SCE NRA program work with SCE’s Emerging Technology program, CTAC, AGTAC, and industry experts to ensure the audit recommendations are current and cost effective. SCE is piloting the use of a hand-held data collection tool to improve the response time and limit the impact on customer time.

~~Some minor, yet innovative, modifications will be made to maintain equity of targeted customer groups and minimizing average cost per audit. The modification include: development of common marketing material promoting the program and translated into two languages; and research and investigation of potential implementation of a lower cost on-site energy audit based on wireless technology.~~

~~IOUs will continue providing nonresidential customers with a full range of energy audits. IOUs experience, expertise and innovative strategies have made this program a success in previous years. As a result, 2004-05 program elements and innovative strategies should lead to similar successes. Over the last years, IOUs have demonstrated that the diversity of customers require the different delivery mechanisms offered in this program.~~

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C. Program Objectives

The 2004-2005 NRA program will provide free of charge no-cost, low-cost, and hardware retrofit recommendations to all classes of nonresidential customers to improve the efficiency of energy usage. SCE will promote the acceptance of energy efficient technologies by recommending cost effective alternatives to existing equipment.

NRA will leverage customer relationships and resources from industry relationships, strategic alliances, and other public purpose programs, such as the Customer Technology Applications Center (CTAC) in Irwindale, Agricultural Technology Application Center (AGTAC) in Tulare, and Statewide Emerging Technologies to accomplish the goals of energy savings, peak demand reduction, and long-term market change. SCE will coordinate the NRA effort with that of other IOUs to ensure equity and ease of implementation as a statewide program. The IOUs are proposing to continue to deliver the high-quality energy audit program that is expected by customers and that builds upon the successes of the 2002 and 2003 programs. The program design in place has and will continue to meet the Commission's goals and objectives for energy efficiency programs in 2004. The projected accomplishments for the Nonresidential Energy Audit program are:

- ~~• In order to achieve sustainability in energy efficiency consumption, behavior and investment choices, the program will address market failures and barriers.~~
- ~~• The program is designed to provide access to various segments of the population. The program is designed to include those who have not traditionally participated and are defined as hard-to-reach.~~
- ~~• The program is innovative and constantly seeking new ways to reach additional market sectors using present and newly developed delivery systems. Implementation of energy audit tools such as the CD-ROM, on-line and new mail-in surveys have assisted in an increased interest among all customer classes.~~

The NRA program will actively reach out to markets in areas and customer classes that have had lower program participation rates, i.e. geographic and customer classes designated as hard-to-reach. NRA will continue to employ and improve alternative delivery models that enable a broader scope of customer participation.

- Over-the-phone
- Mail-in
- CD-ROM
- On-line
- On-site

The IOUs are offering a variety of types of energy audits that meet all customer segments' objectives and provide a cost-effective selection approach while maintaining the average cost per audit.

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SCE will continue to promote the rebate and incentive programs, such as Express Efficiency, SPC, and SBD to increase implementation of energy efficiency recommendations to overcome first-cost barriers.

II. Program Process

A. Program Implementation

~~Annually, SCE follows up with approximately 900-1,000 customers who received on-site and phone energy audits. Customers were offered assistance in understanding audit reports and additional information about incentive programs. They were also asked about the status of implementation of recommended energy efficiency measures. The 2002 Statewide Nonresidential Audit Program Evaluation study will provide updated and thorough information about impacts of the program.~~

The NRA program offer energy audits to all nonresidential customers, using the same eligibility requirements to ensure equity across customer classes. The program targets and offers services across all non-residential customer classes, with special marketing focus on the hard-to-reach sector within very small and small nonresidential customers less than 100 kW. Medium and larger customers are included in the program to ensure that the larger potential projects associated with this customer class are identified and promoted. The services offered in this program are tailored to the particular size of the customer. For instance, medium and larger customers may be eligible for the higher cost site audits, since their energy savings potential is generally high as well.

All audit tools provide written recommendations referring to potential energy and dollar savings, and provide information about the applicable rebate and incentive programs.

~~In 2004-05, the IOUs will place even more emphasis on marketing to hard-to-reach customer classes. Specifically, the IOUs will use experience gained from successful and productive projects in the 2002-2003 period during which hard-to-reach energy audits increased.~~

~~Due to increased demand and popularity of energy audits, SCE is again, for the second year in the row, increasing its annual goal by more than 18 percent.~~

II. Program Process

A. Program Implementation

~~The IOUs offer energy audits to the same set of customers with the same eligibility requirements. The program targets and offers services across all customer classes with special focus on the hard-to-reach sector within Small Nonresidential Comprehensive Retrofit and Large Nonresidential Comprehensive Retrofit. The services offered in this program are tailored to the particular size of the customer.~~

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~~For instance, larger customers may be eligible for the higher cost site audits; however, their energy savings potential must be high as well.~~

The program is designed with an array of offerings to equip nonresidential customers with the tools they need to make sound, informed decisions about implementing energy-efficient measures in their businesses. The array of offerings is designed to provide a cost effective way to provide program offerings for different types of audit and services are: phone energy savings information to all customer types within a large geographic area. The program offerings are:

- Over-the-phone
- Mail-in
- audit, CD-ROM
- On-based energy audit, on-line
- On-energy audit, on-site
- Follow-energy audit, mail-in energy audit, follow-up services
- Energy-and-energy audit training for all interested parties.

On-site audits provide energy efficiency information and energy conservation recommendations that are tailored to each participating customer. Account representatives identify customers with the interest and ability to incorporate energy efficient technologies. The account representatives leverage relationships to gain access to the customer and work with customer contacts knowledgeable about the operation, maintenance, and history of the equipment. Customer-specific information about equipment size, location, condition, maintenance, and operation is gathered by walking through the facility. The data is in turn used to identify individual energy conservation recommendations, culminating in the presentation of tailored recommendations to the decision maker of the organization. In addition to the written recommendations, customers are provided, when appropriate, with:

- Rebate and incentive program brochures for Express Efficiency, SPC, and SBD
- A guide of standard energy efficient measures
- A guide to understanding the electric bill
- Contact information for hearing impaired and non-English language speakers in Cambodian, Chinese, Korean, Spanish, and Vietnamese
- Information about the education programs and displays at CTAC and AGTAC

~~All audit tools provide written reports, outline or refer to potential energy and dollar savings, and provide information about the IOU's rebate and incentive programs.~~

New hand-held audit tools are being tested during the first quarter to improve the turnaround time of audit reports and decrease the impact on customer time.

~~IOUs will research, explore and investigate opportunities for implementing lower cost energy audits, such as using wireless technology, and implementation of services and tools customers need to operate a successful energy management strategy.~~

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For customers who do not request an on-site visit, the NRA program also includes audits that are conducted by the customer providing site specific information about the facility. An audit tool has the ability to incorporate the customer's billing information and customer class assumptions to determine energy savings recommendations

B. Marketing Plan

The main objective of the ~~Program's~~ program's marketing plan ~~addresses~~ is to address and overcome these market barrier characteristics: overcome the marketing barriers characteristic to the program:

- ~~Lack of customer information about energy efficiency benefits—~~
Customers, especially small customers lack information on how they could save energy and reduce costs at their businesses. They often lack information on how to prioritize energy use changes. Bill insert messages³ promoting the audit services will ensure that all customers have received notice of program availability. Identifying the defined hard to reach customers by using our customer information database and targeting them with specific types of surveys based on customer profile. Enlist the assistance of local CBOs to promote audit services to their clients in their jurisdiction. In addition, interested CBOs will be provided the opportunity to gain energy audit training to conduct their own energy audits.
- ~~Lack of financing for energy efficiency improvements—~~
Smaller customers lack information on financial assistance available through rebates or loans for energy efficient equipment. The energy audit program provides: (1) Information about financing options including the Power Authority loans and other sources; and (2) emphasis on no and low cost recommendations requiring very minimal investment.
- ~~Customer resistance to, or preference for specific delivery channels—~~
Customers are more likely to participate when they have a choice of several no cost and low cost services. They are then often more willing to invest in energy efficient equipment.
- ~~Program and services provide accessibility for underserved and hard to reach customer groups—~~
The program consistently maintains the equity of provided services by emphasizing marketing and outreach efforts to hard to reach markets. The program also provides no restrictions to customer eligibility for hard to reach customers.

³ Demand Side Management Qualitative Research 1999 Rebates and Incentives, Garcia Research Group, July 1999, Focus Group data indicated that small business owners open their own mail and issue checks and therefore are more prevalent in reading "bill messages" rather than bill inserts.

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- Lack of customer information about energy efficiency benefits
 - Provide bill insert messages³ promoting the audit services to ensure that all customers have received notice of program availability
 - Identify the defined hard to reach customers by using our customer information database and targeting them with specific types of surveys based on customer profile
 - Enlist the assistance of local Community Based Organizations (CBOs) to promote audit services to their clients in their jurisdiction
 - Provide interested CBOs with the opportunity to receive energy audit training to conduct their own energy audits
 - Lack of financing for energy efficiency improvements. Smaller customers lack information on financial assistance available through rebates or loans for energy efficient equipment. The energy audit program provides:
 - Information about each of the statewide rebate programs. For 2004/2005, the audit program will also provide information about all applicable third party or local rebate programs.
 - Information about financing options, including the California Power Authority loans and other sources.
 - Emphasis on no-and low-cost recommendations requiring very minimal investment
 - Customer resistance to, or preference for, specific delivery channels. Customers are sometimes skeptical when energy efficiency information comes from someone engaged in selling that particular product or service. They are more likely to participate when they receive the information from an unbiased provider, or when they have a choice of several no-cost and low-cost service providers. With unbiased information, and a choice of suppliers of products or services, they are more willing to invest in energy-efficient equipment.
- IOUs will deploy traditional marketing and outreach along with new marketing approaches that can increase customer response and participation:

- ~~Central marketing—Bill insert messages listing program descriptions will be sent to all customers. Specific market segments will also be sent program materials through separate mailings. The IOU Websites will prominently display energy conservation messages and link to program information on the main menu.~~
- ~~IOUs will design a common marketing brochure and translate it into one or more languages. The brochure will promote energy audits and target customers whose primary language is other than English.~~
- ~~Local marketing—The IOU account representatives will provide leads for large customer audits.~~

³ Demand Side Management Qualitative Research 1999 Rebates and Incentives, Garcia Research Group, July 1999, - Focus Group data indicated that small business owners open their own mail and issue checks and therefore are more prevalent in reading "bill messages" rather than bill inserts.

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- ~~Other partnerships — The IOUs will partner with public private organizations (in energy efficiency, water conservation and pollution prevention), community and faith-based organizations, colleges and universities, municipal electric and gas utilities, and governmental agencies.~~

The Nonresidential Energy Audit Program provides accessibility for underserved and hard-to-reach customer groups.

- The program consistently maintains the equity of provided services by emphasizing marketing and outreach efforts to hard-to-reach markets.
- The program also provides no restrictions to customer eligibility for hard-to reach customers.

~~Outreach to hard-to-reach customers — Several resources will be used to reach this customer segment:~~

- ~~Hard-to-reach markets will be identified and selected for mail-in, phone, or CD-ROM audits;~~
- ~~Mail-in audits and CD-ROMs will be distributed at customer fairs and events, and third party activities. CBO client listings may be used to market the mail-in audits;~~
- ~~Outbound calls to customers, identified as hard-to-reach, who are located in rural areas, and very small nonresidential customers (customers whose electric billing demand is less than 20 kW) and tenants will be offered over the phone audits;~~
- ~~CD-ROM self-administered energy audits will be mailed to selected businesses, distributed through CBOs and local agencies, or distributed through local SCE account representatives;~~
- ~~IOU account representatives will conduct or assist CBOs in conducting energy audits; and~~
- ~~Follow-up activities, when conducted, will answer questions about audit results, provide additional information regarding incentive programs, and assist in implementation of energy efficiency projects.~~

SCE will deploy traditional marketing and outreach along with new marketing approaches to increase customer response and participation:

~~Each service under the Nonresidential Energy Audit program will cross-promote other customer energy efficiency programs, including both incentive and informational programs. Types of programs include the statewide Express Efficiency, statewide Standard Performance Contract, local Small Nonresidential Hard-to-Reach program, Savings By Design, statewide Education and Training and the statewide Marketing and Outreach program. Specific rebate amounts can be estimated where applicable, and referrals to incentive programs (i.e., websites, toll-free numbers) will be provided. Handout materials to promote other energy efficiency resources (e.g., Flex Your Power) will also be developed and distributed as appropriate.~~

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Central Marketing

- Bill insert messages listing program descriptions will be sent to all nonresidential customers.
- Specific market segments will also be sent program materials through separate mailings.
- The SCE Websites will prominently display energy conservation messages and link to program information on the main menu.

~~The program has been working and will work in conjunction with the Express Efficiency program and other programs by providing customers with information and recruiting for participation.~~

Brochures and Marketing Materials

SCE will design a common marketing brochure and translate it into one or more languages. The brochure will promote energy audits and target customers whose primary language is other than English. A breakdown of annual marketing materials, quantity and projected cost is listed below:

Item	Quantity	Method of Distribution	Projected Cost
Incentive Materials	400	Via – On-line provided (i.e. gift card or movie tickets for completing an on-line audit	\$8,000
Brochures and Flyers	35,000	One-on-One, Conferences, Seminars	\$20,000
Audit Invitation E-mail	8 E-mail Blasts	Via Email to email address available at the time of distribution	\$40,000
Mail-in	25,000	Mail	\$40,000
Post Cards	5,000	Mail	\$7,500
Bill Inserts	285,000	Mail	\$11,500
Regional/ National Trade Shows and Conferences	2	Sponsor a booth or table	\$10,000

Local Marketing

SCE account representatives will provide leads for medium and large customer audits.

Other Partnerships

SCE will partner with public and private energy efficiency organizations, community and faith-based organizations, colleges and universities, municipal electric and gas utilities, and governmental agencies to explore opportunities to increase program outreach at the local level. The partnerships will build upon the individual strengths of each of the entities to increase both local participation and the efficiency of program delivery. Examples of current partnerships include:

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- Asian Business Association
- African -American Inland Empire Association.
- San Bernardino Job Developers
- Korean Youth and Community Center
- Riverside County HRC
- Chinese Restaurant SARS
- Latin Business Association

Outreach to Hard-to-Reach Customers

- Hard-to-reach markets will be identified and selected for mail-in, phone, or CD ROM audits
- Mail-in audits and CD-ROMs will be distributed at customer fairs and events, and third party activities. CBO client listings may be used to market the mail-in audits
- Outbound calls will be made to those customers identified as hard-to-reach customers in rural areas, and very small nonresidential customers (customers whose electric billing demand is less than 20 kW), and tenants, offering over-the-phone audits
- CD-ROM self-administered energy audits will be mailed to selected businesses, distributed through CBOs and local agencies, or distributed through local SCE account representatives
- SCE account representatives will conduct or assist CBOs in conducting energy audits
- SCE will develop NRA outreach efforts with proactive on-site visits to hard-to-reach zip codes and warm temperature areas throughout SCE territory to identify energy efficient opportunities and promote participation in the incentive and rebate programs
- Follow-up activities, when conducted, will answer questions about audit results, provide additional information regarding incentive programs, and assist in implementation of energy efficiency projects

Coordination with Other Programs

The Nonresidential Energy Audit program will cross-promote other customer energy efficiency programs, including both incentive and informational programs.

- Statewide Express Efficiency
- Statewide Standard Performance Contract
- Local Small Nonresidential Hard-to-Reach Programs
- Savings By Design
- Statewide Education and Training
- Statewide Marketing and Outreach Program.

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Handout materials to educate and inform customers regarding other energy efficiency resources, e.g., Flex Your Power, and non-utility programs will be developed and distributed as appropriate.

C. Customer Enrollment

The program will be marketed to very small, small, medium, and large customers, but especially to hard-to reach customers. ~~While~~ SCE's most intensive outreach efforts are directed toward very small, and small hard-to-reach customers. SCE will also provide audits for medium- and large customers who provide an opportunity to realize significant, sustainable long term annual energy savings and peak demand reduction. While energy savings and peak demand reductions are not claimed for this information only program, a large number of customers receiving non-residential audits also participate in the rebate and incentive programs, and may not have done so without the increased awareness and information gained from the non-residential audit.

No specific enrollment method is required ~~by~~ ~~on behalf of~~ the customer. Customers may choose one of the following sources to receive an energy audit:

- Contact the SCE Customer Care phone line: 1-800-736-4777
- Request a CD Rom audit
- Request a Phone audit
- Request to have a mail~~Mail~~-in audit
- Request SCE personnel to provide an on-site audit
- Visit the SCE website at www.sce.com

D. Materials

Section II.D not applicable.

E. Payment of Incentives

~~Section IV.A is~~ ~~H-E~~ not applicable. Based upon the California Public Utilities Commission's (CPUC) approved Energy Efficiency Policy Manual, an information-only ~~The program is~~ ~~does not reasonably expected to provide an estimate of energy savings. The lack of energy savings, capacity savings, therm savings, resource benefits, or a TRC ratio for any particular program, i.e., information programs, should not imply that a measure or program does not promote energy efficiency. Neither should it imply that there is no impact to the customer's use of electricity or natural gas, nor a corresponding impact to the electricity or natural gas system.~~

It is important to acknowledge Information Services and Non-residential Audit programs contribute directly to the success of the incentive/rebate programs. The hardware or equipment change-out portion of the energy savings that come from

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Information Services and Nonresidential Audits are contained within the savings claimed from the various and applicable incentive/rebate program payments.

F. Staff and Subcontractor Responsibilities

SCE Staffing Structure

Manager – Nonresidential Programs

Manager is responsible for the general oversight of all nonresidential Energy Management programs including the Nonresidential Energy Audits.

Manager – Program Manager

The Program Manager management designs and implements the program with statewide consistency. This includes overseeing all aspects of program planning, promotion, delivery, tracking, and reporting.

Manager/Supervisor

The Managers and Supervisors are tasked with providing guidance to subordinates ensuring delivery of programs, development of relationships, ensuring knowledge level, and development of module plans to optimize customer contacts.

Account Manager/Account Executive/Account Analysts

Account Managers, Account Executives, and Account Analysts are tasked with the delivery of the on-site NRA program to very small, small, medium, and large customer segments. Each representative has the experience and knowledge to identify energy efficiency opportunities at customer facilities. Each representative is familiar with and is responsible to promote the nonresidential rebate and incentive programs, including Express Efficiency, SPC, and SBD.

Engineer/Technical Specialist

Engineers provide technical assistance to SCE personnel on more complex customer audits. They provide hand calculations and utilize complex analysis tools, such as DOE-2 based tools. They have extensive knowledge of commercial, industrial, and agricultural buildings and systems.

Consultants

SCE IOUs will offer mail-in, CD-ROM and on-line energy audit tools powered by Nexus Energy Software, Inc. This will allow the IOUs to maintain statewide consistency in providing energy management services for all nonresidential customers including the very small, small, and, especially hard-to-reach customers.

Administrative Assistance

Administrative and clerical personnel are responsible for supporting nonresidential energy audits operations.

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Customer Call Center Representatives

Customer Call Center Phone Representatives will receive general customer calls. If the customer is interested in participating in or finding out information regarding available energy efficiency programs, the Call Center Representative will fill out an energy audit request form and send it to the Business Solutions audit operations staff, where it will be logged in and assigned to the appropriate auditor to schedule and conduct the energy audit

If the customer requires information regarding an energy efficient technologies and/or current program offerings, the phone center representative can provide the information or take the customer's contact information down and send it to the appropriate program manager or reference source.

G. Work Plan and Timeline for Program Implementation

The Nonresidential Energy Audit program may be rolled out into 2004 without interruption to customers. IOUs are providing continuous services with even distribution of their goals over the course of the two years. The following identifies the major program milestones:

Target Dates	Activity Forecast
January 2004	Program implementation (if CPUC approval)
January 2004	Continue HTR and Non-Hard-To-Reach On-site audits
January 2004	Continue On-line Website Spanish and English energy audits
January 2004	Continue Mail-In, Over-the-Phone, and CD-Rom audits
January 2004	Conduct "E-mail Blast" audit promotion
February 2004	Deliver "How To Do An Audit" Seminar
February 2004	Purchase audit (gift card) promotions
April 2004	Conduct "E-mail Blast" audit promotion
May 2004	Deliver "How To Do An Audit" Seminar
July 2004	Conduct "E-mail Blast" audit promotion
September 2004	Deliver "How To Do An Audit" Seminar
October 2004	Conduct "E-mail Blast" audit promotion
November 2004	Deliver "How To Do An Audit" Seminar
January 2005	Program implementation (if CPUC approval)
January 2005	Continue HTR On-site audits
January 2005	Continue On-line Website Spanish and English Revise, if required
January 2005	Continue Mail-in, CD-ROM and Phone audits
January 2005	Conduct "E-mail Blast" audit promotion
February 2005	Deliver "How To Do An Audit" Seminar
March 2005	Conduct "E-mail Blast" audit promotion

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April 2005	Modify brochures and flyers for 2005, if required
April 2005	1 st wave of Bill insert messages mailed
May 2005	Deliver “How To Do An Audit” Seminar
May 2005	Conduct “E-mail Blast” audit promotion
June 2005	Conduct “E-mail Blast” audit promotion
August 2005	Conduct “E-mail Blast” audit promotion
September 2005	Deliver “How To Do An Audit” Seminar
October 2005	2 nd wave of Bill insert messages mailed
November 2005	Conduct “E-mail Blast” audit promotion
December 31, 2005	Program ends

III. Customer Description

A. Customer Description

Nonresidential

The targeted segments include those customers whose facilities are used for business, commercial, agricultural, institutional, and industrial purposes.

Nonresidential customers are further divided into the following sub-sectors, on the basis of annual electric demand or annual gas consumption:

- Very small nonresidential: Customers whose electric billing demand is less than 20 kW.
- Small nonresidential: Customers whose billing demand is between 20 kW and 100kW.
- Medium nonresidential: Customers whose billing demand is between 100 kW and 500 kW.
- Large customer nonresidential: Customerseustomer whose billing demand is over 500 kW.

Nonresidential Hard-to-Reach

Hard to Reach customers are those ~~Those~~ customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a language, business size, geographic, or lease (split incentive) barriers. These barriers are defined as:

- Language – Primary language spoken is other than English, and/or
- Business Size – Less than ten employees and/or classified as Very Small (as defined above), and/or
- Geographic – Those customers located in rural locations based on the CPUC approved Statewide Residential Customer Needs Assessment Study, and/or
- ~~Geographic – Businesses in areas other than the San Francisco Bay Area, San Diego area, Los Angeles Basin or Sacramento, and/or~~
- Lease – Investments in improvements to the building benefit the business only during the lease period; landlords benefit longer.

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B. Customer Eligibility

Customers eligible for an electric public goods charge funded energy audit are the very small, small, medium, and large nonresidential customers who contribute to the electric PGC fund.

The customer segment and type of audit offered are listed below:

Customer Eligibility for Energy Audits

Customer Segment	Type of Audit				
	Mail-In	CD Rom	On-Line	Phone	On-Site
Hard to Reach	✓	✓	✓	✓	✓
Very Small	✓	✓	✓	✓	✓
Small	✓	✓	✓	✓	✓
Medium		✓	✓		✓
<u>Large</u>					<u>✓</u>

C. Customer Complaint Resolution

Customer questions, concerns or disputes related to program procedure or policies are typically fielded by the IOU program manager. In those rare instances where the IOU program manager is unable to resolve the issue, the matter will be referred to management for resolution.

D. Geographic Area

This program is offered to all eligible customers residing in the SCE, SDG&E or PG&E service territory with a special equity emphasis on hard to reach customer segments including those geographic areas that are transmission-constrained as identified by the California Independent System Operator (ISO) in its April 11, 2003 Summer Assessment. It is intended that the reduction in peak demand resulting from this program will assist in the mitigation of forecasted reliability concerns within the geographic areas served by the transmission-constrained paths described in the SCE portion of the ISO Summer Assessment report.

IV. Measure and Activity Descriptions

A. Energy Savings Assumptions

Section IV.A is not applicable.

Based upon the California Public Utilities Commission's approved Energy Efficiency Policy Manual, an information-only program is not reasonably expected to provide an estimate of energy savings. The lack of energy savings, capacity savings, therm savings, resource benefits, or a TRC ratio for any particular program, i.e., information programs, should not imply that a measure or program does not promote energy efficiency. Neither should it imply that there is no impact

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to the customer's use of electricity or natural gas, nor a corresponding impact to the electricity or natural gas system.

~~Although this program does not create immediate short-term energy savings, it provides a clear, logical, and verifiable link between program activities and eventual energy savings.~~

B. Deviations in Standard Cost-effectiveness Values

Section IV.B is not applicable.

C. Rebate Amounts

Section IV.C is not applicable.

D. Activities Descriptions

Following are the types of audits offered to eligible nonresidential customers:

- Over-the-Phone Energy Audit: The ~~assigned~~ representative conducts over-the-phone audits and serves as the main hub for disseminating energy efficiency programs information, and technical assistance. Representatives take a proactive approach in identifying callers who may benefit from an over-the-phone energy audit. Representatives gather the customer's information to produce a customized, report containing energy efficiency recommendations. The report also outlines the potential energy and dollar savings that the customer may realize if the recommended measures are implemented.
- Mail-in, CD-ROM, and On-line Energy Audits: The mail-in and CD ROM audit services and on-line energy audits all target the small and hard-to-reach, nonresidential market. The CD-ROM audit also targets a subset of this market, including 18 business types that typically rarely participate in energy efficiency programs, i.e., funeral homes, churches, and beauty salons.
- On-Site Energy Audit: On-site audits provide a professional technical assessment to large, medium, small, and very small customers. The assessments or audits ~~and identify ways that customers can achieve~~ address immediate demand and energy savings by implementing no-cost, low-cost measures, and recommend investment saving opportunities. After an audit is ~~Customers, when conducted, customers will receive a follow up contact which will provide customers with technical assistance and other support they need to begin implementing recommended measures. The customer will be informed of appropriate rebate/incentive programs, such as Express Efficiency, SPC, and SBD~~
- "How To Do an Energy Audit" training program: SCE offers a comprehensive training curriculum that includes both theoretical and on-site training components for qualified personnel. The major elements of this training program are trainee pre-qualification, classroom and ride along

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on-site training, and certification. SCE is committed to conduct up to four training sessions for groups of 20-25 students, in 2004 and 2005. This program will be offered to third party program implementers, CBOs and customers.

Customers are given tools to assess their facility's energy costs, energy auditing techniques, and software. They are given a way to quantify energy expenses and ways to reduce energy consumption by installing new high efficiency equipment and technologies that will help keep their facility running in top form. Topics~~The important topics that are included are:~~

- Building benchmarking
- Billing data analysis
- Energy efficiency opportunities
- Cost and payback calculations
- Information on available rebate and incentive programs~~available~~

In addition to the above, trainees are also given information about cost-savings opportunities through energy-efficient practices for their building, operations, or processes.

- Follow-up services, when conducted, are provided to customers who have received energy audits and will likely consider participation in incentive programs offered by the IOUs and other third parties for which the customer may be eligible. The services include providing additional information about audit reports, offering technical assistance in the customer's research for suitable equipment, and identifying and overcoming barriers to implementation, if any.

All audit tools provide written reports, which outline or refer to potential energy and dollar savings, and provide information about the incentive programs offered by the IOUs or other applicable third parties.

- ~~• On Site Energy Audit for Large Customers: Energy audits provide professional technical analyses for large commercial, industrial and agricultural customers' facilities. These audits address long term demand and energy savings for end uses with potentially high energy savings. Follow up services, when conducted, are provided to customers who have received energy audits and will likely consider participation in the IOU's incentive programs. The services include additional information about audit reports, technical assistance in their research for suitable equipment and to identify barriers to implementation, if any.~~

~~All audit tools provide written reports, outline or refer to potential energy and dollar savings, and provide information about the IOU's incentive programs.~~

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IOUs will research, explore and investigate opportunities for implementing lower cost energy audits, such as using wireless technology, and implementation of services and tools customers need to operate a successful energy management strategy.

V. Goals

The Statewide Nonresidential Audits program progress will be measured through the following metric to:

To conduct 7,375 energy audits (annual goal) for eligible nonresidential customers in SCE's service territory.

Hard-to-Reach Goal

To improve equity among customers and increase participation in underserved or hard-to-reach markets, of the 7,375 audits that will be conducted annually, the program proposes to perform:

~~To conduct~~ 3,360 energy audits (annual goal) targeted for hard-to-reach customer segments as defined in the Commission's Energy Efficiency Policy Manual. This aggregate goal will be tabulated by the number of audits performed for HTR customers defined as very small and/or located in a zip code area identified as a geographic barrier.

<u>Goal Period</u>	<u>Total Energy Audits</u>	<u>Hard-to-Reach Energy Audits</u>
<u>2004</u>	<u>7,375</u>	<u>3,360</u>
<u>2005</u>	<u>7,375</u>	<u>3,360</u>
<u>Total</u>	<u>14,750</u>	<u>6,720</u>

VI. Program Evaluation, Measurement and Verification (EM&V)

A. General Approach to Evaluating Program Success

This EM&V plan meets the objectives of the Commission as outlined in the Energy Efficiency Policy Manual, v.2. This plan continues and extends established methods for evaluating program success. The primary measurement of program success will be an examination of program delivery, ongoing benchmarking, cost-effectiveness, and overall success in order to refine and optimize program delivery. The evaluation may also estimate energy and demand savings for measures installed through the program, versus baseline measures.

The Market Assessment & Evaluation strategy for this program will examine the effectiveness of the information and energy audit services offered by the four investor owned utilities to the nonresidential sector including phone, mail, CD

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ROM, onsite, online, and specialized large customer audits. The evaluation will also examine customer satisfaction with the "How To Do An Energy Audit" training component. The research will quantify the impacts of the audit delivery strategies and their effectiveness in reducing barriers to the installation of energy efficiency equipment. Research will also provide updated energy savings estimates for energy, demand and gas consumption where warranted. Results of this study will be used to refine program design and reporting.

B. Approach to Measurement and Verification of Energy and Peak Demand Savings

This is an information-only program that is also expected to lead customers to take energy-efficiency actions. We will not measure savings, but may survey customers to see what actions they take over time after participating in the program.

B. **C. Approach to Evaluation of Program Success**

To comply with the objectives of the Commission for ongoing assessment and improvement of programs, the EM&V plan will also focus on process issues such as statewide integration between the investor-owned utilities. The EM&V will also include:

- Customer Behavior Analyses: These activities assist with assessing customer's knowledge, attitudes and practices in response to energy efficiency information. They help collect information on a customer's adoption of energy efficiency measures and practices after the audit, which provides information for ongoing enhancement of program targeting and delivery. And they help quantify and improve the effectiveness of the "post-audit follow-up calls" component of the program.
- Process Evaluation: The research will provide ongoing feedback and corrective guidance regarding program implementation through a customer behavior study, and will measure indicators of the program effectiveness through a process evaluation study. These activities will include evaluation of program delivery in terms of statewide integration, marketing and delivery channels. They may include program manager interviews and customer satisfaction surveys regarding customers' perceptions on how the program has helped them manage their energy bills.

D. Potential EM&V Contractors

The contractors listed below can objectively and effectively evaluate program success. As a group, their work includes impact evaluation, measurement and verification, process evaluation, market assessments, and verification of program accomplishments. These firms have a track record of completing high quality, objective studies of energy efficiency programs either for the California investor-owned utilities or for other entities whose studies we have been able to review.

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This list does not include all of the qualified evaluators who could objectively evaluate program success. The final list of evaluation consultants will be based on several factors including: future Commission decisions, the mix of approved programs and the experience of the evaluation consultants.

- | | |
|--|---|
| • ADM Associates | • KVDR Consulting |
| • Aloha Systems | • Megdal & Associates |
| • Architectural Energy Corporation (AEC) | • Nexant |
| • ASW Engineering Management | • Opinion Dynamics |
| • Aspen Systems Corporation | • Quantec LLC |
| • EcoNorthwest | • Quantum Consulting |
| • Energy & Environmental Economics | • Ridge and Associates |
| • Energy Market Innovations | • PA Consulting Group |
| • Equipoise Consulting | • Research Into Action |
| • Freeman Sullivan & Co. | • RLW Analytics |
| • Frontier Associates | • Robert Mowris & Associates |
| • GDS Associates | • SBW Engineering |
| • Global Energy Partners | • Science Applications International Corp |
| • Heschong-Mahone Group | • Skumatz Economic Research Associate |
| • ICF Consulting | • Summit Blue Consulting |
| • Itron (RER) | • TecMRKT Works |
| • KEMA-XENERGY, Inc. | • Vanward Consulting |
| | • Wirtshafter Associates |

VII. Qualifications

A. Primary Implementer

SCE is responsible for managing and implementing the statewide Nonresidential Energy Audits program within SCE's service territory. As a whole, SCE is uniquely qualified to provide the core of statewide and local programs that form a solid and reliable foundation of energy savings opportunities that our customers and the State can rely upon. Over the years, SCE has developed energy efficiency experience, expertise and a support infrastructure that is second to none.

Moreover, our long-term commitment to and credibility with our customers are critical to widespread acceptance of energy efficiency information and recommendations for action. Finally, SCE provides ironclad accountability to our regulators and the customers we've served for over a century that is invaluable to ensuring that public money is appropriately spent.

SCE's experience in energy efficiency is a century long. We began assisting customers in the wise use of energy in the early 1900s, when we first began helping our agricultural customers to test the efficiency of their electric pumps. Beginning in the 1980's, the energy efficiency programs designed by SCE have been nationally recognized and have helped California assume a leadership role in energy efficiency. Continuing this tradition of excellence in energy efficiency,

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SCE's 2004 - 2005 portfolio of statewide and local programs incorporates innovation into our proven track record of program success in all program areas:

- **Residential** - SCE's participation in the delivery of residential programs began in the early 1980s, when we began offering comprehensive audits that linked information collected in customer homes by certified energy service representatives to actual billing histories. Through this unique service, customers received immediate audit results that directed them to rebate programs available for recommended energy-saving measure and device retrofits. Conservation information materials were also made available to customers for the first time. Today, SCE continues this two-decade tradition through a similar close combination of residential information, energy survey, and rebate services, but updated to reflect today's technological advances. With a staff comprised of energy efficiency experts with professional experience in other business fields, SCE has designed modern programs that offer a variety of energy efficiency tools on-line, including information, energy use calculator/estimators and an energy survey that provides instantaneous recommendations based on each participating customer's energy use. Strong business relationships between SCE and major retailers now enable SCE to pay incentives directly to a customer through several delivery mechanisms: as the result of an application process, at the cash register, or as part of price buy downs at the manufacturer level. Staff with marketing knowledge develops strategies that call out the best and most efficient method of reaching the right customer group with the program mix that best matches their needs.
- **Nonresidential** - Southern California Edison has provided nonresidential customers with energy efficiency programs under the direction of the Commission since 1976. Early programs provided information to customers on how to use energy more efficiently through improved operations and maintenance practices. Since that time, SCE's programs have evolved, expanded, and diversified into a comprehensive mixture of information and incentive programs. SCE is a national leader in the development and operation of performance-based energy efficiency incentive programs including DSM Bidding and Standard Performance Contract Programs. Our programs have grown and contracted, shifted focus and emphasis, or completely changed philosophy as needed to incorporate the changing goals of the Commission, the needs of the marketplace and input of the many stakeholders in the energy efficiency industry. Most important, SCE's customers have grown to trust the utility as the single, unbiased source of energy efficiency information, services and programs. No matter what else was happening to affect customer opinion of the utility industry, our business customers continued to look to SCE for assistance in managing their energy use and costs.
- **New Construction** – For over 20 years, Southern California Edison has designed and operated programs aimed at improving the energy efficiency of

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new buildings, both residential and nonresidential. Whether through financial incentives, technology showcases, builder and consumer education, or assistance to design professionals, SCE programs have effected significant, permanent improvements in the energy efficiency of new buildings in its service territory. Since the early 1990s, builders participating in SCE's residential programs have built over 50,000 homes that exceeded state building standards. For nonresidential new construction, SCE has refined and enhanced a wide array of educational and design assistance tools, including free state-of-the-art online technical assistance, for the commercial building industry. We have a well-respected group of design professionals on our staff including architects and engineers, and we have established alliances throughout the design and construction industry with organizations such as AIA, ASHRAE, IES, AEE, IEEE, CEE.

The program design and implementation team who plan, administer, deliver and support our programs provides unparalleled expertise in energy efficiency programs. Our program managers have an average of ten years of experience in energy efficiency and related customer service activities and are supported by a veteran staff of technical experts in all facets of energy efficiency. Our design and technical support staff have over 300 years of combined experience, over two-thirds are licensed by state or federal organizations, and over half have advanced degrees. Our program design and evaluation staffs also have extensive first-hand knowledge of the customer demographics unique to SCE's service territory. After all, for over 100 years we've lived and worked with the customers we serve.

Finally, as a utility who serves all of the energy needs of all of our customers, SCE also has an existing infrastructure of support functions (such as accounting, regulatory and legal departments), systems (such as our program tracking and reporting systems) and facilities (such as our energy centers) that we use to facilitate the successful implementation of our programs. Further, our long-term relationship with the Commission and the customers we serve further ensures that our customers will be well served and protected. Using the experience and resources described above, SCE stands ready to satisfy our customers' energy efficiency needs and meet the Commission's policy objectives.

B. Subcontractors

Not applicable.

C. Description of Expertise

David Bruder, Lead IOU Project Manager

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Mr. Bruder is a registered mechanical engineer with over 22 years of experience in energy efficiency program management, facility design and construction. As a project engineer for a major engineering and construction firm, David led and coordinated multi-discipline teams of engineers and architects in the design of large, complex industrial facilities. At Southern California Edison, David oversees all aspects of a portfolio of non-residential energy efficiency programs, including DSM Bidding, Standard Performance Contracts, and Express Efficiency. His responsibilities include design and implementation of programs, as well as managing cost and schedule, and tracking and reporting program status to management and the CPUC.

Bill Grimm, Manager, Nonresidential Energy Efficiency Programs

Bill Grimm is the Manager for SCE's Energy Efficiency Programs which includes statewide and local energy efficiency programs including the Express Efficiency Program, Nonresidential Energy Audit Program and the Small Nonresidential Hard To Reach Program. He has 13 years experience in energy efficiency, including 11 years designing and managing rebate and audit programs for residential and nonresidential customers, with 8 years designing and managing upstream programs in the areas of lighting, motors, HVAC, major appliances, home electronics, and window systems. Bill designed and managed the nation's first ENERGY STAR[®] product labeling program, and the first "upstream" incentive program, dubbed the manufacturers wholesale cost reduction (buy down) method. The method has been adopted nationwide by energy utilities and internationally by a World Bank affiliate for operation in third world countries. Bill's prior work included new product development and market management for a computer services division of a major aerospace firm, and sales/ sales management for midrange computer manufacturers.

Ed Flores, Program Manager, Nonresidential Energy Audits Program

Ed Flores has over 32 years of utility experience, 22 years with energy efficiency programs, renewable energy and 4 years in managing the following energy efficiency programs: Residential Lighting & Appliance Program, Mobile Education Unit, and Nonresidential Energy Audit Program. He has implemented financial incentive, education/information, energy audit and market transformation programs in the residential and nonresidential sectors. Ed brings a unique program management background with a combination of both depth and breadth of experience in managing energy efficiency programs. He also is Certified as a California State Energy Auditor.

VIII. Budget

SCE pays particular attention to the distribution and reasonableness of the budget; with strong emphasis on making sure that the program objectives, marketing, program processes and delivery mechanisms are adequately funded.

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Program Budget	
Total Program Budget	\$4,694,000002
Administrative	\$_539,000
Marketing	\$_259,400
Direct Implementation	\$3,601,600
EM&V	\$_294,000002
Other	